

Determinant of High Index Firm's Value with Dividend Policy as Moderating Variable

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ABSTRACT

Increasing the number of share investors along with the increase in the number of companies registered as issuers on the Indonesia Capital Market make investors faced with a choice of issuers that are very much in determining investment decisions. In addition to the ability to provide returns, another thing that needs to be considered by investors to determine its investment decision is the company's value that can be measured using the Price to Book Value (PBV) ratio. PBV value plays an important role for issuers in determining corporate actions to balance the benefits for investors while maintaining the interest of new investors on issuer shares so that the issuer can eventually benefit. The objective of this research is to obtain an empirical evidence about the effect of profitability, leverage, firm size, and the proportion of independent commissioners towards firm's value with dividend policy as a moderating variable. The object of this research is non-financial companies included in Kompas 100 Index during 2016-2019 period. The sample was selected using purposive sampling method which consists of non-financial companies listed on the Kompas 100 Index and preparing audited financial statements for the year ended December 31, using Rupiah as its reporting currency, generate profits, and distribute dividends. Sampling will be done by the method of purposive sampling. The secondary data was analyzed with moderated regression analysis method.

Keywords: dividend policy, firm size, firm's value, leverage, profitability, proportion of independent commissioners.